

98-84374-29

Land and taxation of same
by a farmer

[S.I.]

[1883]

98-84274-29
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

333
27

Land and Location of area by reference
No place title: 0 111 p 21.00

Basard title-page
No 7 of a vol of pamphlets

RESTRICTIONS ON USE: Reproductions may not be made without permission from Columbia University Libraries.

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm

REDUCTION RATIO: 11:1

IMAGE PLACEMENT: IA IIA IB IIB

DATE FILMED: 3-31-98

INITIALS: AB

TRACKING #: 32501

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

333

No. 7

K

LAND AND TAXATION
OF SAME,
—BY A—
FARMER.

LAND AND TAXATION.

Land has received the attention of geographers, geologists and chemists, and has been treated with such ability that results of the greatest importance have been reached. The necessities, comforts and pleasures of life have been placed within the reach of nearly all civilized men.

The placing of these possibilities within the reach of so many has been due to the researches of the scientist and the thought of inventors, combined with the efforts of the industrious. From the thought and investigations of the scientist, the practical artisan and agriculturist have been enabled to reach results which for a period of greater or less duration are considered perfection. Enjoyment of the triumphs of knowledge, combined with labor, have created new desires for still greater achievements, forward steps being soon taken which constantly lead to such results that past accomplishments fade away like dissolving views. Among the material results has been the building of large commercial cities within a generation, which if destroyed by flood or fire, are replaced with a celerity that is difficult of realization. The tourist leaving our Atlantic seaboard cities passes over two thousand miles through a region in which all of the towns, villages and farm homes denote energy, thrift and comfort. Distance has been abridged by construction and operation of a railway system which, if judged by the service it performs may be considered complete in all its appointments and performances.

The tonnage moved by which, is facilitating and enlarging the exchanges of the country and the world, in a manner never dreamed of by the ancients, or expected by our ancestors. The movement of persons and property which a few years since was considered marvelous, is now esteemed as being only one of the ordinary requirements of the times, and, if not promptly complied with, additional lines are brought into existence whenever there is an apparent need of increased facilities. The statement made by Lord Macaulay, that, "of all inventions, the alphabet and the printing press alone excepted, those inventions which abridge distance have done most for civilization of our species. Every improvement of the means of locomotion benefits mankind morally and intellectually as well as materially, and not only facilitates the interchange of various productions of nature and art, but tends to remove antipathies, and to bind together all the branches of the great human family."

This has been illustrated on a scale of magnitude, in our country, which has no parallel in the history of mankind.

Enlarged and increased transportation facilities have caused the disappearance of provincial differences once so marked in this country. In fact these have almost entirely disappeared, and soon it will not be known that they ever existed.

When general peace and prosperity prevails through the country we do not realise the value and power of our transportation facilities, and the manner in which they can be made effective. But when war prevails and large armies with supplies and appliances to render them effective—or when a large city is destroyed by a sudden calamity, and supplies of life in its vicinity are inadequate for existence, and celerity in movement of large quantities of food or material is required then we realise their importance. Other specialties might be cited, but as all are based upon the land and its development, what is true of any one is true of all. In scientific research and in the mechanic arts—so far as the beautiful is concerned—we do not compare with the old world.

But so far as practicability and production are concerned, we have by application of machinery and physical treatment of land excelled most portions of the world. Our large consumption per capita, and export of food prove this.

We have applied new and original methods in the use of machinery, the results from which have no parallel in history. The ingenuity of our inventors has been supplemented by our cultivators, these have responded promptly, the ability and disposition of the latter, enabling them to efficiently utilise with the best results the creations of the former. But with all our wealth of originality and industry, which is so general, regardless of rank or station, we have made the great mistake of following the example of our English ancestors, regarding the political and financial treatment of land—that is in regard to taxation of same; it is almost exempt in England and too nearly so in our own country.

The few thousands of wealthy, the millions of poor, and the hundreds of thousands of paupers there, compared with the more equal distribution of wealth here, is largely due to the difference in price of land and the forms of taxation.

The amount of taxes which we place against our land, and the value of same, is what makes the difference in the mental, moral and physical condition of the masses here and there.

In England and Wales are 30,000 land owners, and 7000 of these own four-fifths of the whole island. The incomes of the people there are as follows: 8000 have \$25,000; 2,000,000 \$150, and 4,500,000 have only \$151 per annum, paupers number over 800,000, over 17,000,000 being two-thirds of the population have no income beyond daily wants. Is it any wonder that from such large numbers without income that the ranks of the pauper multitude are kept up to so near one million?

Notwithstanding her long line of illustrious sovereigns, her devoted philanthropists, her brave soldiers whose courage is undisputed, her still more courageous statesmen who have battled so nobly for the right, it

is doubtful if so great a disparity exists in any modern Christian nation. To revenue of \$325,000,000, land contributes but \$5,000,000, taxes. The \$320,000,000, from other sources is only another way of saying that it comes direct from the avails of industry.

If one half the taxes were collected from the land, the industrial classes would be allowed enjoyment in excess of what they now enjoy by whatever \$160,000,000, would purchase. Agricultural operations are perhaps conducted so far as the tenants are concerned, under the most adverse conditions endured in this pursuit. The statistics in relation to which are almost beyond comprehension, and are of a nature to excite the liveliest sympathy for the class by whose exertions the food supply is furnished, and indignation against the owners of land.

The total acreage of England is in round numbers 37,000,000 acres. The rental including poor rates is \$820,000,000, or \$27 per acre on the 30,000,000 acres of arable land.

This is a burthen which would crush out of existence any other body of men excepting the sturdy yeomanry of England. No other race under the sun could bear up under such a load as this. Advised as we are from official records, of the burthen under which the present generation stands up so nobly, complying without revolution against unjust ancient customs, we cannot doubt the legendary or historical accounts of the loyalty and valor of the English yeoman.

One need know no more than this to know that the Englishman is a respecter of law and all that pertains thereto.

That discontent is beginning to manifest itself among the English tenantry at having to pay \$27 per acre rent while the owners of land pay less than one per cent of the taxes on same is not surprising.

The astonishing feature is that they have so long and so patiently borne the wrong without going beyond protest. It may be supposed that if all taxes were levied upon the land, owners would increase the rent; this would be impossible, as the present charge is all it will bear under the best known farm management.

All that can be said, keeping the wages of farm laborers down near the starvation point, is already being wrung from the tenants. The result would be that owners would have to perform some portion of the labor for self maintenance, instead of existing as they now do, upon exertions of others, which comes to them in the form of rent.

This or a surrender of certain luxuries which would insure more comforts to tenants and laborers would be inevitable. The tenant system in this country is on the increase.

The late census discloses the fact that twenty-five per cent of the farms in the country are being cultivated by tenants—a greater proportion than at any previous period. This is an indication that on account of the advance in the price of land, that it is getting beyond the reach by ownership, of many who must exist by cultivating it. It also proves that the owners of one-fourth of the farms of the country are to a certain extent at least, being supported by rent, or in other words upon, or by, the exertions of others. Their personal right to do this cannot be denied; but if all taxes were levied upon

land, and productions were exempt, rents would decline to such an extent, that owners, as a rule, would have to cultivate.

The tenant system would not increase, but would rather tend to decrease; with diminution of rent land would decline in price, and ownership would be more common, that is, enjoyed by greater numbers than it now is.

If all taxes were collected from land, and owners had to cultivate, they would not desire to hold the ownership of more than they could well and profitably cultivate. This would naturally cause owners to put it in market for sale at prices within reach of all who wanted it for cultivation. Our tenant system on the yearly or one crop plan is a bad one.

The tenants are apt to acquire migratory habits, not having the opportunities to exercise the thrift that is usually inseparable from the ownership of land. The owner of property has constant and ever growing inducements to improve and increase its value. His disposition and aims lead him in the direction of increased productive power, with a force that is unknown to tenants.

It is not in the nature of things to be expected that tenants should have the ambition, or, independence of thought or action which ownership gives.

There is not the spur to action that is sure to bring future rewards; there are farmers who know and who act on the theory and practice, that in every working hour value may be added to a farm.

Largely the profits arising from agriculture consist in improving the quality of the land, which, in consequence, brings greater productions, or a higher price for the land if sold. This is a class of profits in which tenants rarely, if ever, participate.

Prevented by his relations to the land from enjoyment in one of the best and surest class of profits, it is not strange that the tenant is generally poor, and that he remains in this condition. Considering all things he had better own forty acres than to rent, or farm four hundred owned by another. Given the best conditions for agriculture, and first or highest may be considered the ownership of the land, then nature is man's best friend, she responds with a generous hand to all his efforts, if he is faithful to his trust she seldom, if ever, betrays him. Were all our taxes levied upon the land, no one would want it except for occupation or use, which in the main is for the purpose of cultivation, or matters directly or indirectly connected therewith. Speculation would lessen, perhaps cease entirely, thus removing a very prevalent evil, the effects of which are periodically felt with results of the most disastrous character.

No one could hold farming land and pay taxes—which would have to be levied upon it—if all other property was exempt, unless cultivation of such methods as would insure large returns were constantly applied to it. Those who would make any legitimate use of it could have all their wants or pleasures required, beyond these there would be no object in holding it. As to do this would only be depriving those who would make good use of it of the privilege; it would simply repress production without benefit to any, but with

damage to all. The farmers, of whom there are so many who are land poor, that is those who are holding more than they can cultivate or utilize in any profitable manner, would lessen in number.

Educational, social and other matters depending upon co-operation of numbers, would be greatly enhanced in power and value.

Burthens which a thin or sparse population cannot maintain, would be easily carried, wealth would soon appear where in many places the struggle for a bare existence is now a severe one. There would be larger investments in improvements and in personal property of all kinds that would add to comfort and health, largely increasing the enjoyments of life.

Large sums now invested in unused unproductive land would soon take other directions and be invested in more useful things, there would be an improvement of method upon our present advanced methods of cultivation, bringing a corresponding increased production.

Dr. Gregory's definition that a farm is simply a machine for forcing plants from the earth, and that, like any other machine the more skillful the manipulation, and the better the conditions under which made, the more service would it perform, would be illustrated and proven.

The tenant system involves great loss of time, the owner is idle or at least is not under the discipline of regular employment, which is invaluable to every man.

The tenant as a rule is employed only during the growing and harvesting season, during the other portion of the year he is idle, or largely so, he has no interest in making any permanent improvements, cannot as a rule grow any live stock, has to buy many things which the owner of a farm does not have to buy, and has few things to sell. The system has many bad features, and few, if any, good ones.

The speculator could not with all taxes on land hold alternate quarter sections while and until the labor performed on settler's quarters had raised the value of his land four fold, as has frequently been the case. It may be claimed that the settler's land also advances; this is true, but it does not invalidate the fact that while benefiting himself he is also benefiting those who make no acknowledgment or return for same.

It may also be said that the homestead law prevents this, but as a matter of fact it does not; the speculator buys out large numbers, perhaps half of the pre-emptors and homesteaders, and realizes largely upon his investments and the labor of the other half. It may be supposed that it would be an injustice to land owners to exempt the stocks of merchants and manufacturers, but community combined with competition would soon effectually regulate this, the farmer's personal property—all his gains and accumulations from land would be free, and the inducements to have and hold this kind of property would soon so increase as to place him on equal terms so far as exempt property was concerned. Where land is high in price it might decline, but this would not in any manner affect its value, judged by the stand-

and of utility, which is the safer one by which to be governed.

It is well to keep in mind a clear distinction between price and value; the former often changes suddenly, depending as it does on many contingencies; the latter does not vary much so far as purpose of cultivation is concerned.

We can see no harm that can come from land being kept down to a low price; this has no connection whatever with its productive power, nor has it even the most distant relation to it.

In a country where most of the land is rented, naturally owners would like to have the price rule high, and to keep it advancing, but in a country where owners cultivated entirely, rent would be unknown. And could it be entirely eliminated, so far as its personal exercise by landlords is concerned, it would be the greatest blessing that could be conferred upon mankind. The same or a given amount of labor is required for production, regardless of price. In the absence of rent the labor is the main factor; it is at least in all cases the important and unchangeable one, so far as quantity required is concerned. The power, which for ages, rent has exercised over labor and capital, is one of the strangest anomalies in the world's history.

Long and bloody wars have been fought over mere trifles when compared with this, and the arbitrament of this question will not long be deferred, by the ballot let us hope it may be done instead of by the sword.

Land has not the potency in the absence or want of labor, which has generally been accorded to it, its true value (not price) depends upon the labor performed on or the business transacted over it.

The land on which are situated buildings in which the largest stocks of goods are sold; hotels which entertain the largest numbers; banking houses which buy and sell the greatest amount securities, exchange, or letters of credit, is always highest. For the reason that great utility is involved, that is, the useful substantial wants of the greatest numbers are provided for.

The low price of land has been the broad firm basis of prosperity in this country, from the landing of the Mayflower to the present time; to this and not to any peculiar American genius is it due. Because of the three factors of land, labor and capital the share of the first, viz: land has not been in excess of the two latter as has been the case in the old world.

Where these conditions are changing to the reverse (that is where land is getting more than capital and labor, or either of them) in our own country, prosperity of the whole population begins to show signs of lessening. If there is growing as is claimed by some, an unequal distribution of wealth wherever it exists, it is chargeable to this cause and to no other.

Comparison between our eastern and our western states and conditions ruling therein tends plainly to prove this.

The ignorant and curious may charge in vain that the large owners in railways are monopolists, but the charge will not stand one moment, when the facts are traced in connection with each other, and properly placed so as to be clearly comprehended. They are

simply purveyors to public wants, as much so in principle as any doing the same kind of business on a smaller scale.

Those who charge them with being responsible for the growing communistic sentiment, do not consider all the elements which constitute the case. They apparently forget, or deny the incontrovertible fact, that economics, which cheapen the service and lessen the cost of production in large transactions, are frequently of greater benefit to the public, than they are to stockholders.

And if all these so-called monopolists were translated bodily, with all the certificates of ownership of properties they represent, all so represented would remain in tact just as it now is, performing the same or more likely enlarged functions.

This cannot as truly be said of owners of large landed property, because the prices of land and charge for use of same, continually advances, while the charge for railway service notoriously lessens all the time from competition—has, as a matter of fact, been for years lessening, and often at times when every other species of property was advancing in price.

And further, mechanical property of every description is perishable, requiring from use and natural decay constant renewals, which land does not. When used for any other purpose except cultivation this is an additional reason why land should bear all taxes.

The nearest approach to monopoly that is effective, and likely to become more so, is beyond much doubt land, in its being so lightly taxed. The more equitable and liberal the laws regulating access to land, and its occupation and use, the greater will be our prosperity and the longer its continuance.

The practices or legislation that steadies its price, and that keeps it from advancing will enhance past, and tend to largely increase future prosperity. Anything which tends to advance the price of land makes it an unsafe basis of credit, the security of which lessens very generally in proportion to the advance, and often becomes the destroyer of all, or at least of general credit. Whenever it is accredited with having a utility which it does not possess, evil results must some time ensue, and the longer these are deferred, very generally the greater they are.

From the "John Law" scheme to the last panic, the history and results of land speculation are uniform as regards finality. The general course of land operations are, that small cash payments are made, and paper promises are issued for deferred payments, the land being the only basis for redemption.

The time when interest on deferred payments exceeds in amount more than the land can earn is the danger point, whether it be at time of purchase or later on.

Once an era of speculation begins it is ordinarily carried to great excess; large numbers expecting to realize fortunes embark in the business; as the purchasers increase in numbers the price advances.

Proper judgment, if it ever existed, as to real values and what truly constitute the same is abandoned; soon the anxiety of holders

to realize or efforts to force redemption of worthless paper brings on a crash, which, if it only ruined operators the loss to the world would be small, but unfortunately the business of all is damaged by general unsettling of values, and many innocent creditors are ruined. The hardships of the latter are often peculiar and saddening; as a rule they are not active business men, but are largely made up from the aged and inexperienced of both sexes, who have been deceived and deluded by the golden promises of high rates of interest made by the too hopeful land speculators.

The failure of Jay Cooke and others did not cause the panic of 1873. Extensive Railway construction was no more chargeable therewith than would have been excessive corn growing.

More mileage has been constructed during late years than in the same number previous to 1873, and yet no evil effects have resulted.

Railway construction is simply an exchange of capital for railway, no money goes out of the country, in fact it has brought it into the country, largely by bonds sold abroad. The additions not yet improved to so many towns and cities, had more influence in causing the panic than had construction of railways.

Mr. Cooke's failure would not have caused a tremor in this great country, had not large numbers been engaged in issuing irredeemable paper on land as a basis far beyond its true value. They had virtually called it what it was not; had attributed to it a utility which it did not possess, never will, never can, that is beyond the legitimate wants of population.

Land cannot legitimately advance except under influence of aggregations of population, and the latter must be in proportion to the former, or disaster is sure, nothing can avert it. It therefore seems clear, that the legislation, viz. taxation which keeps down or steadies the price is the wisest.

And if all taxes were collected from the land, it would assume and maintain a stability in price which has not yet prevailed. Because the demand for it would mainly be confined to those who required its best and only legitimate uses. The best social, physical and financial conditions embracing health and comfort; mental and moral strength; the accumulation of property and retaining same largely, it may be said entirely, depends upon the cost of land, that is when the welfare of all is concerned.

The history of our country and its accomplishments is an exemplification of possibilities and realizations, based on cheap land, which cannot be disregarded nor will they be denied if correct evidence is given due consideration.

American genius and individuality which is credited with so much, and which is extolled so highly, had its origin in the free or cheap land to which came our ancestors.

Unfortunately they were, and we continue to be somewhat influenced by the wrong forms of municipal and legislative administration, which drove them into exile—they are perhaps not yet of the same intensity, but being the same in principle, may become the same in effect, possibly even worse, if time enough is given. And certainly

now after more than two centuries it is time that any of the relics of the old world wrongs that taint or poison our system be eliminated therefrom.

Had our legislatures given the thought to the science of government that our professional, mercantile and mechanical classes have given the affairs that have engaged their attention, anything that is wrong, would long since have been righted. Unfortunately representatives and public servants, do not perform service under the same conditions that commercial and professional agents do; fixed tenure of office gives the former an exemption from the full performance of duty, and a license and power which the latter cannot exercise.

Fixed tenure of office is probably the weak spot in a representative form of government. We shall never have a system so perfect that there will not be weak spots, until human nature changes, and of this there is no likelihood or prospect.

Simple legislation by which a public servant could be summarily deposed for neglect of duty, or, abuse of power, would be worth more than all the civil service schemes we have heard of, or of all the laws relating to same that we shall ever have.

Difficulties incidental to, and inseparable from the advancing price of land are increasing; these are too numerous to be alluded to in detail.

The one which overshadows all others, and which, if lessened would cause the disappearance of many that are incidental thereto, is rent.

This has its origin in ownership of land, and cannot be eliminated, but it can be modified by taxing land and exempting productions.

The exactions of rent reach all, they are perhaps most arbitrary with, and severe upon the landless, but large numbers—in fact all—who own homes and farms, make large contributions to those from whom they purchase supplies or services.

Its most cruel feature, or what may be made such, is its transferability; dealers have no reason to care what they pay if they can charge the same to customers.

Its effects upon masses of the poor in our cities is deplorable, distressing many, debasing others, who are a dangerous, and holding the ballot may, and do, become an evil element. They are used by unscrupulous politicians who gain and hold power from the cheapness with which they can purchase the votes of those, who by their situation and surroundings, care not who govern them.

If those who have cause to think that our form of government is a failure, from the ease with which the elective franchise is perverted, and the consequent growth of political corruption, would take action in the direction of removal of primary evil causes, their confidence in our governing powers would be restored.

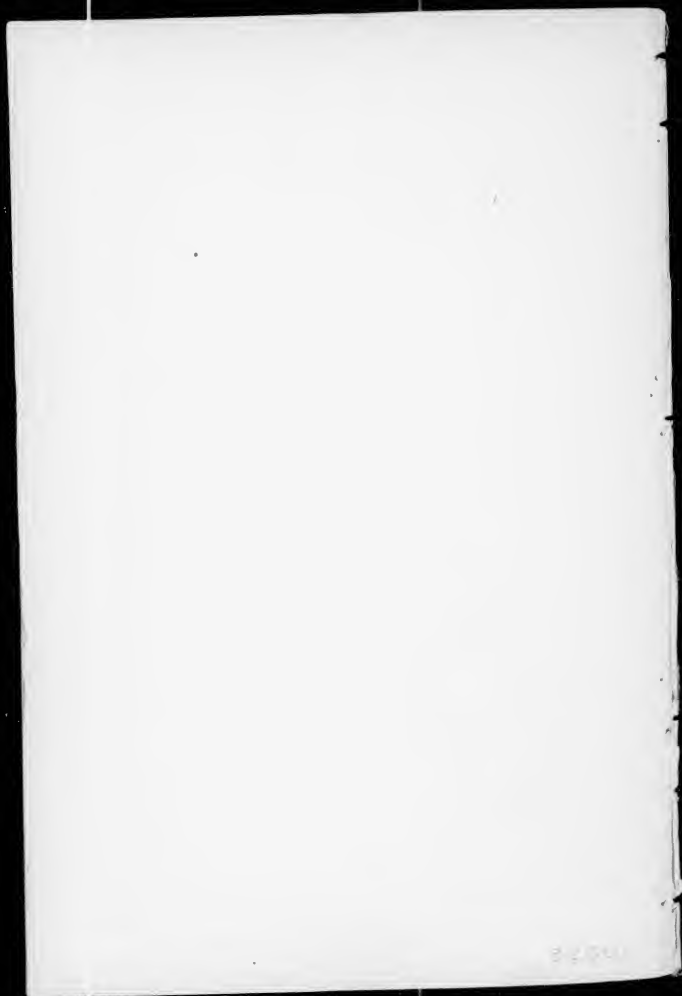
Another class are slandering our capitalists, inciting the desperate to deeds of violence against those whose fortunes are embarked in facilitating the world's exchanges, which contribute to the comfort of all—if these would interest themselves for a change in our form of taxation, they would be much better employed than they now are.

Fortunately these destructionists are few in number when compared with the whole; the majority of civilized men being constructionists, the power of the former for mischief is limited.

It will require long and earnest effort for the formation of a public sentiment having strength enough to cause a change in our form of taxation. But if made as suggested the benefits will soon manifest themselves, not rapidly perhaps, but slowly, surely, gathering cumulative force with time, and at no distant day many who would be in the opposition now, will, as has often been the case, in other reforms, be among its firmest supporters.

"FARMER."

June, 1883.



END OF
TITLE